



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: Economic Development Commission Members

From: Krista Linke, Director

Date: November 2, 2016

Re: Faulkenberg Printing Company, Inc. – Request for Waiver of Non-Compliance

On November 21st, 2014, Faulkenberg Printing was granted a three-year tax abatement on real property with a 2% economic development fee and a five-year abatement on personal property with a 2% economic development fee. The estimated real property investment amount was \$170,000 and the personal property investment amount was \$400,000.

They submitted their first yearly compliance report for 2015. They were found to be in substantial compliance. They spent \$234,000 on real property improvements and \$400,000 on the purchase of a new press. They had 12 employees at the end of 2015. They indicated on their application that they would hire 5 new employees over the course of 5 years and they added two in the first year.

Upon receiving their tax bill this year for 2015, they noticed they had not received the tax abatement deduction. After talking to the Johnson County Auditor's offices, they were informed they needed to file a Form 322 RE for the real property tax deduction and a Form 103 ERA for the personal property tax deduction. They did not know they were required to file these forms with the county.

Therefore, Faulkenberg Printing will have to pay the taxes in full. The remedy to this situation is for the City of Franklin to pass a waiver of non-compliance for the failure to fill out the required county forms. It is my understanding from the county, that once the waiver of non-compliance is granted, a credit will be given on the next installment of taxes due.

If you have any questions regarding this request, please contact me directly at 346-1250.